

TRADE GAP WIDENS IN OCTOBER 2005

U.S. international trade in goods and services

The U.S. monthly goods and services deficit widened in October 2005, according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit increased from \$66.0 billion in September (revised) to \$68.9 billion in October, as imports increased more than exports.



Exports

Exports of goods and services increased \$1.8 billion in October to \$107.5 billion, reflecting an increase in goods exports. Services exports were virtually unchanged.

- The increase in goods exports was mostly accounted for by an increase in *capital goods*. *Consumer goods* decreased.
- Services exports were virtually unchanged as decreases in *travel* and *transfers under U.S. military sales contracts* were mostly offset by increases in *other private services* and *royalties and license fees*.

Imports

Imports of goods and services increased \$4.7 billion in October to \$176.4 billion, mostly reflecting an increase in goods imports. Services imports also increased.

- The increase in goods imports mostly reflected an increase in *industrial supplies and materials*.
- The increase in services imports mostly reflected increases in *other private services* and *other transportation*.

Goods by geographic area (not seasonally adjusted)

- The goods deficit with China increased from \$20.1 billion in September to \$20.5 billion in October. Exports increased \$0.7 billion to \$3.9 billion, while imports increased \$1.1 billion to \$24.4 billion.
- The goods deficit with the European Union increased from \$10.1 billion in September to \$12.1 billion in October. Exports increased \$1.2 billion to \$16.0 billion, while imports increased \$3.2 billion to \$28.1 billion.
- The goods deficit with Japan increased from \$6.4 billion in September to \$7.4 billion in October. Exports increased \$0.4 billion to \$4.9 billion, while imports increased \$1.4 billion to \$12.2 billion.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on the BEA Web site: www.bea.gov.

NOTE: This and more information is provided in the December 14 press release issued by the U.S. Bureau of Economic Analysis and the U.S. Census Bureau, U.S. International Trade in Goods and Services: October 2005. The next release is January 12, 2006.

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